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**Consumer Price Index
Minneapolis-St. Paul, MN-WI
First Half 2002**

Consumer prices in the Minneapolis-St. Paul area increased 0.9 percent in the first half of 2002, the U.S. Department of Labor's Bureau of Labor Statistics reported today. This was below consecutive gains of 1.9 percent in the first half of 2000 and 2001. The Minneapolis-St. Paul Consumer Price Index for All Urban Consumers (CPI-U) for the first half 2002 was 179.3 (1982-84=100). Over the year (first half 2001 to first half 2002), retail prices in the Twin Cities increased 2.3 percent. This is below the 4.2 percent rise experienced in the previous two annual periods.

Regional Commissioner Peter J. Hebein reported that an increase in the heavily weighted shelter index was responsible for most of the first half gain. Higher costs for medical care also contributed to the overall rise. Smaller increases were seen in the components for education and communication, food and beverages, and recreation. Falling energy costs and declines in the apparel and other goods and services components, partially offset the overall rise.

The housing component increased 1.9 percent in the first half primarily due to a 2.9 percent increase in the shelter index. The cost of utility natural gas services advanced 3.5 percent while electricity costs slid 8.2 percent. The household furnishings and operations index gained 1.7 percent. Housing costs in general were up 3.2 percent over the year (first half 2001-first half 2002) with a 6.3 percent increase in shelter costs being only partially offset by a 33.8 percent drop in the cost of utility natural gas.

The medical care component jumped 4.2 percent during the first half of 2002. This was similar to a 5.2 percent rise reported in the first half a year earlier. Annually, the medical care component advanced 5.1 percent. This was a smaller increase than the 6.9 percent annual gain recorded during the first half of 2001.

The food and beverages component increased 0.1 percent during the first six months of this year. The 0.7 percent drop in the food at home (grocery food) index was offset by a 1.1 percent increase in the food away from home index. Alcoholic beverage

prices declined 0.2 percent. Since the first half of 2001, the food and beverages component rose 3.9 percent. This compares with consecutive increases of 3.1 percent during the same annual periods in 2000 and 2001.

The recreation component also rose a scant 0.1 percent during the first half of the year. Over the year, recreation cost were up 1.0 percent, a much smaller gain than the 4.0 percent hike recorded during the same annual period in 2001.

The transportation component remained unchanged during the first half of this year. Gasoline prices slid 4.8 percent in the first half to a level 19.0 percent lower than a year ago. Overall transportation costs were 0.7 percent lower than a year ago. This annual decline compares with annual gains of 4.5 percent in 2001 and 7.4 percent in 2000.

The component for other goods and services declined 1.0 percent during the first six months of 2002 and was 2.7 percent higher than a year ago. This annual increase was in line with the 2.6 percent gain recorded during the same period last year.

Apparel costs dropped 3.3 percent during the first half of the year and were 2.7 percent lower than during the first half of 2001. The education and communications component gained 1.6 percent during the first half of the year and was 3.5 percent above its level one year ago.

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CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U. S. City Average and for the Minneapolis-St. Paul area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier as well as the schedule release date for the next CPI issuance. The Hotline number in Minneapolis-St. Paul is (612) 725-3580.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 80 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 85 urban areas across the country from about 57,000 housing units and Approximately 19,000 retail establishments-- department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 85 locations. Prices of most other commodities and services are collected every month in the five largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives. Mail questionnaires are used to obtain utility rates, some fuel prices, and certain other items.

In calculating the index, price changes for the various items in each location are averaged together with weights which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each area since the base period.

The index measures price change from a designated reference date- 1982-84-which equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see BLS Handbook of Methods, Bulletin 2490, Chapter 17, April 1997 The Consumer Price Index.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods

Minneapolis-St. Paul, MN-WI (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2002 from—	
	1st half 2001	2nd half 2001	1st half 2002	1st half 2001	2nd half 2001
Expenditure category					
All items	175.3	177.7	179.3	2.3	0.9
All items (1967=100)	551.0	558.4	563.5	-	-
Food and beverages	181.6	188.5	188.7	3.9	.1
Food	178.5	184.8	185.0	3.6	.1
Food at home	172.5	180.4	179.1	3.8	-.7
Food away from home	188.0	192.4	194.5	3.5	1.1
Alcoholic beverages	208.4	222.0	221.5	6.3	-.2
Housing	162.2	164.2	167.4	3.2	1.9
Shelter	178.8	184.8	190.1	6.3	2.9
Rent of primary residence	180.9	186.2	191.2	5.7	2.7
Owners' equivalent rent of primary residence ¹	184.6	193.4	199.1	7.9	2.9
Fuels and utilities	155.4	131.7	126.8	-18.4	-3.7
Fuels	144.5	118.5	114.6	-20.7	-3.3
Gas (piped) and electricity	146.8	120.7	116.9	-20.4	-3.1
Electricity	135.0	147.0	134.9	-.1	-8.2
Utility natural gas service	163.1	104.3	107.9	-33.8	3.5
Household furnishings and operations	127.4	126.9	129.0	1.3	1.7
Apparel	136.8	137.7	133.1	-2.7	-3.3
Transportation	162.6	161.5	161.5	-.7	.0
Private transportation	153.6	151.7	151.9	-1.1	.1
Motor fuel	131.3	111.7	106.4	-19.0	-4.7
Gasoline (all types)	131.9	112.2	106.8	-19.0	-4.8
Gasoline, unleaded regular ²	132.2	113.3	107.6	-18.6	-5.0
Gasoline, unleaded midgrade ^{2 3}	137.4	112.8	107.7	-21.6	-4.5
Gasoline, unleaded premium ²	145.1	131.3	125.1	-13.8	-4.7
Medical care	264.8	267.1	278.4	5.1	4.2
Recreation ⁴	107.8	108.8	108.9	1.0	.1
Education and communication ⁴	103.0	104.9	106.6	3.5	1.6
Other goods and services	280.4	290.7	287.9	2.7	-1.0
Commodity and service group					
All items	175.3	177.7	179.3	2.3	.9
Commodities	157.1	157.8	155.3	-1.1	-1.6
Commodities less food and beverages	143.5	141.2	137.2	-4.4	-2.8
Nondurables less food and beverages	159.7	156.2	149.5	-6.4	-4.3
Durables	126.1	125.0	124.2	-1.5	-.6
Services	192.1	195.9	200.9	4.6	2.6
Special aggregate indexes					
All items less medical care	170.7	173.0	174.3	2.1	.8
All items less shelter	175.1	175.2	175.2	.1	.0
Commodities less food	146.5	144.8	140.9	-3.8	-2.7
Nondurables	171.0	172.5	169.3	-1.0	-1.9
Nondurables less food	163.4	161.1	154.7	-5.3	-4.0
Services less rent of shelter ¹	214.8	214.0	218.8	1.9	2.2
Services less medical care services	184.7	188.4	192.8	4.4	2.3
Energy	138.8	115.9	111.8	-19.5	-3.5
All items less energy	180.8	185.7	188.3	4.1	1.4
All items less food and energy	181.5	186.2	189.2	4.2	1.6

¹ Index is on a December 1982=100 base.

² Special index based on a substantially smaller sample.

³ Indexes on a December 1993=100 base.

⁴ Indexes on a December 1997=100 base.

- Data not available.